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GARY R. BAKER
EXECUTIVE DIRECTOR

State of South Carolina

State Ethics Commission

August 1994

NEWSLETTER

95-001

WELCOME ABOARD

We wish to recognize three new members appointed to the Commission by Governor Campbell. Representing District 2 is Edward Duryea who is the owner of John Demosthenes Company in Beaufort. Representing District 4 is Raymond B. Smith who is Vice President of Administration and Controller of Woven Electronics Corporation in Greenville. Serving as a Member at Large is H. Bowen Woodruff who is an attorney with the law firm of Young, Clement, Rivers and Tisdale in Charleston.

We welcome the new Commissioners and look forward to working with them in the near future.

We also wish to recognize and welcome our newest staff member, Anthony L. Brown. Anthony has been hired as an Administrative Specialist in our Disclosure and Compliance Division and is available to answer any questions regarding the completion of Disclosure forms. Anthony replaces Hannah King who was promoted as the Commission's Public Information Specialist.

REMINDER TO CANDIDATES AND COMMITTEES

The election season is here and, along with it, come the inevitable questions concerning the proper use and disclosure of campaign contributions and expenditures. Accordingly, candidates and committees involved in the upcoming general election are reminded of the following requirements:

*No public funds or property may be utilized in an election campaign. Public facilities may be used if they are available on similar terms to all candidates.

*The candidate or a duly authorized officer of a committee must maintain a campaign account in the name of the candidate or committee. A petty cash fund of \$100 or less may be established with no expenditure exceeding \$25. All

expenditures exceeding \$25 must be made by a written instrument drawn upon the campaign account containing the name of the candidate or committee and the name of the recipient.

*All contributions received by the candidate or committee, directly or indirectly, must be deposited in the campaign account within ten days after receipt.

*Campaign funds may not be used for personal use. A candidate's campaign funds may not be contributed to another candidate.

*Individual contributions to statewide candidates are limited to \$3,500 per election cycle and \$1,000 for local candidates.

*Cash contributions may not exceed \$25 and must be accompanied by a record of the amount of the contribution and the name and address of the contributor.

*Anonymous contributions are prohibited.

*Cash expenditures of \$25 or less must be accounted for by a written receipt or record.

Finally, candidates and committees are reminded that the requirement to file Campaign Disclosure Reports does not cease with the general election. Continuous quarterly reports must be filed within ten days following the end of each calendar quarter, even when there has been no account activity, until a Final Report is filed. A Final Report is filed when the campaign account is closed.

CAMPAIGN DISCLOSURE FILING DEADLINES FOR 1994 PRIMARY AND GENERAL ELECTIONS

All candidates and committees are reminded of the filing deadlines for Campaign Disclosure Forms. Listed below are dates to keep in mind for filing for the 1994 elections:

Initially, within 10 days after receiving or expending \$500

August 23- Runoff

October 10- Quarterly Disclosure

October 24- Pre General Report (All candidates
on the General election ballot report
current as of October 19)

November 8-General Election

January 10- Quarterly Disclosure

Thereafter, within ten days after the end of each calendar quarter [i.e. Jan. 10, Apr. 10, Jul. 10, Oct. 10] or until a final report is filed when the campaign account is closed [i.e. There are no funds in the account and no further expenses to be paid].

Please note that, after the initial filing, the above reports must be filed even if there was no income or expenditures during the reporting period. A Pre Election report is required from all candidates whose name is on the election ballot.

Forms may be obtained from the Commission office or may be obtained from the Clerk of Court's Office in each county.

Failure to file the form within five days after the filing deadline may result in a fine of \$100 plus \$10 for each additional day up to a \$500 maximum fine.

COMMISSION ENFORCEMENT ACTIONS

In fiscal year 94, the State Ethics Commission levied late filing penalties of \$24,090. Penalties which are not paid directly by the late filer are recouped through the Department of Revenues debt collection program. The State Ethics Commission may levy late filing penalties against officeholders, candidates, or committees which are late in filing required forms. An initial late filing penalty may be levied if the form is not filed within five days after the deadline date. After notification by certified letter, an additional penalty of \$10 per day may be levied, to a maximum of \$500.

The following is a list of complaint actions that were resolved and had penalties levied:

12-15-93 Stephan Q. Parker, a former employee of the SC Coastal Council, was publicly reprimanded for accepting things of value from a business whose activities he was inspecting. It was referred to the 9th Circuit Solicitor's Office.

01-19-94 Bobby J. Hulsey, a candidate for Forest Acres City Council was publicly reprimanded and fined \$350 for failing to properly disclose campaign activities.

01-19-94 State Adjutant General T. Eston Marchant admitted giving campaign contributions out of campaign funds to other candidates and was fined \$350.

02-16-94 Claudia Lee Hendrix, Lexington County Auditor, was publicly reprimanded for utilizing an employee to conduct campaign-related activities.

02-28-94 Moses H. Clarkson, a lobbyist, was fined \$840 for failure to file timely lobbyist disclosure forms.

04-20-94 Rudolph H. Ratley, a Marion County District 3 School Board Member, admitted violating Section 8-13-700(B) and was publicly warned.

04-20-94 Newton Pressley, a member of the Williamsburg County Council, was publicly reprimanded and fined \$200 for participating in an issue in which he had an economic interest.

06-15-94 The Citizens for Ethnicity in Government Committee, an Aiken County Committee, was fined \$200 for failure to file timely campaign disclosure forms.

ADVISORY OPINIONS

SEC A094-001

July 21, 1993

COMMITTEE ESTABLISHED TO RAISE MONEY WITH WHICH TO PURCHASE EQUIPMENT FOR RICHLAND COUNTY SHERIFF'S DEPARTMENT

The Ethics Reform Act does not prohibit local businesses from establishing a committee to solicit contributions from the private sector with which to purchase bulletproof vests and other equipment for the Richland County Sheriff's Department.

SEC A094-002

July 21, 1993

EMPLOYER OF COUNTY SCHOOL BOARD CHAIRMAN DOING BUSINESS WITH THE COUNTY

Provided he complies with the recusal provisions of Section 8-13-700(B) on those matters affecting his employer's economic interests, a bank employee may continue to serve as School Board Chairman even though the county does business with the Chairman's employer. Pursuant to Section 8-13-775, the Chairman may not have an economic interest in a contract between the County and the bank with which he is employed if he is authorized to perform an official function relating to the contract.

SEC A094-003

July 21, 1993

OFF DUTY EMPLOYMENT OF PUBLIC EMPLOYEE

A former DHEC employee who is currently employed by the

Budget and Control Board would not be prohibited from providing certain part time consulting and engineering services as long as such work is not part of the employee's official responsibilities and is performed in accordance with the off duty employment guidelines. With limited exceptions, however, Section 8-13-740(A)(6) would preclude the employee and any business with which he is associated from representing clients before other state agencies.

SEC A094-005

August 18, 1993

**APPLICABILITY OF ETHICS REFORM ACT TO
NONPROFIT TRADE ASSOCIATION**

Based on the facts presented, a nonprofit trade association's ad hoc espousal of a position on legislation or other official State action does not constitute lobbying, and neither the association nor its board members or officers are lobbyists or lobbyist's principals within the meaning of the Ethics Reform Act.

SEC A094-006

September 15, 1993

**APPLICABILITY OF ETHICS REFORM ACT TO
LOBBYIST'S PRINCIPAL**

A State University that is a lobbyist's principal generally may not provide to a legislator lodging, transportation, entertainment, food, meals, beverages or an invitation to a function paid for by the University even if it is provided solely because the legislator's spouse is a member of the University's Board of Trustees.

SEC A094-007

September 15, 1993

**REGISTERED LOBBYISTS SERVING ON ADVISORY
BOARD**

A registered lobbyist is not prohibited from being reappointed to the South Carolina Retirement and Pre-Retirement Advisory Board since it's duties are entirely advisory in nature, and it has no authority to exercise sovereign power of the State.

SEC A094-008

September 15, 1993

**COMMISSION MEMBER'S BUSINESS SUBMITTING BID
ON COMMISSION PROJECT**

Despite a public member's association with the firm that submitted the lowest bid on a commission project, the Ethics Reform Act does not prohibit this firm from being awarded the contract, provided it is awarded in accordance with the Consolidated Procurement Code and the commission member complies with the recusal provisions of Section 8-13-700(B).

SEC A094-009

October 20, 1993

ASSOCIATION LOBBYIST PROVIDING PAC SUPPORT

Based on the facts presented, a lobbyist and a subordinate staff person who reports directly to the lobbyists are both prohibited from performing functions related to the PAC of the lobbyist's principal.

SEC A094-010

October 20, 1993

**COUNTY EMPLOYEE SERVING ON COUNTY
TRANSPORTATION COMMITTEE**

A county road supervisor would not be prohibited from serving on a county transportation committee; however, should the transportation committee be required to take an action that distinctly affects his own or the county's economic interests, the road supervisor may be required to comply with the recusal provisions of Section 8-13-700(B).

SEC A094-014

January 19, 1994

**TEXTBOOK PUBLISHER PROVIDING FREE BOOKS AND
TEACHING MATERIALS FOR USE IN CLASSROOM**

A textbook publishing company may furnish books and other teaching material for trial use in a classroom setting, provided the donation is not intended to influence a public official's, public member's, or public employee's official responsibilities. Rather than serving as actual members of textbook adoption committees, teachers who have used publisher-donated texts should appear before these committees to present their findings and recommendations. Section 8-13-720 prohibits publishing companies from compensating those teachers who utilize donated texts and related materials for trial use in their classrooms.

SEC A094-015

January 19, 1994

**CONSTITUTIONAL OFFICER ACCEPTING INVITATION TO
A FUNCTION PAID FOR BY A LOBBYIST'S PRINCIPAL**

Pursuant to Section 2-17-90(A)(5), a lobbyist's principal may invite an individual constitutional officer to a function and provide that officer with lodging, transportation, entertainment, food, meals or beverages so long as the value of what is provided does not exceed \$25 in a day and \$200 in a calendar year.

SEC A094-016

April 1, 1994

**ABILITY OF CANDIDATE FOR ADJUTANT GENERAL TO
SOLICIT CONTRIBUTIONS FROM MEMBERS OF THE**

NATIONAL GUARD

A candidate for the Office of Adjutant General is an "elective official" who, in accordance with Section 8-13-1180(A), may not, directly or through an agent, knowingly solicit a contribution from an employee in the Adjutant General's area of official responsibility. Section 8-13-1180(A), however, does not prohibit candidates for Adjutant General from soliciting contributions from members of the National Guard who are not employees of the South Carolina Adjutant General's Office.

SEC A094-018

April 20, 1994

ABILITY OF CANDIDATE FOR SOLICITOR TO ACCEPT CAMPAIGN CONTRIBUTIONS FROM LOBBYISTS

Since Judicial Circuit Solicitors are not statewide constitutional officers, Section 2-17-80 does not prohibit a candidate for Solicitor from accepting campaign contributions from lobbyists, provided the candidate is not otherwise serving as a public official of any state agency, including SC Commission on Prosecution Coordination, that engages in covered agency actions.

SEC A094-019

April 20, 1994

ABILITY OF POLITICAL PARTY TO RAISE FUNDS

MARKETING LONG DISTANCE TELEPHONE SERVICE PLAN

The Ethics Reform Act does not prohibit a political party from raising money by marketing a long distance telephone service plan. In accordance with earlier opinions and the facts submitted, the State Ethics Commission does not object to the party's decision to maintain these funds in an account separate from the campaign accounts and use them only for non- campaign related expenses. The Ethics Reform Act does not limit donations to a political party that are neither channeled through a campaign account nor used to influence the outcome of elective offices or ballot measures.

SEC A094-020

April 20, 1994

CONTRIBUTION LIMITATIONS OF INDIVIDUALS AND PROPRIETORSHIPS

Within an election cycle, no candidate or anyone acting on his behalf may solicit or accept from a "person", as defined in Section 8-13-1300(24), a contribution which exceeds three thousand dollars in the case of a candidate for statewide office or one thousand dollars in the case of a candidate for any other office. Moreover, one contribution limit shall apply to an individual as well as all proprietorships that are owned by that individual and whose contributions are directed by that individual.

State Ethics Commission

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